Workers' Compensation Board of Nova Scotia

Corporate Plan Summary 2001-2005

Introduction

The Workers' Compensation Board (WCB) of Nova Scotia is a workplace accident insurance agency established in 1917 to administer the province's *Workers' Compensation Act*. The WCB administers various medical and financial benefits and rehabilitation services to workers who have been injured on the job, and their dependents. This WCB coverage is intended to protect both workers and employers from the human and financial costs of workplace accidents.

These benefits and services are administered by the WCB on behalf of employers who, as a result of the historic compromise between workers and employers, fund the system and are, in turn, protected from legal action by their employees.

Over the last ten years significant steps have been taken to improve service delivery to our clients while providing financial stability to the workers' compensation system. The journey however, is far from over. Over the next five years the WCB of Nova Scotia will strive to achieve its goals and objectives by improving service; utilizing technology and partnerships; and supporting our employees with the tools and skills they need to do this very important work for Nova Scotians.

Corporate Plan

The WCB is committed to delivering quality service to the employers and injured workers of Nova Scotia. To achieve this objective and ensure that resources are used effectively, the WCB Board of Directors has put in place a five year planning cycle, which is updated each year. This strategic planning process ensures that while the day-to-day operational responsibilities are met, the organization is also evolving to meet the longer-term needs of our clients – both workers and employers. The Corporate Plan has two major components – business and financial planning.

The Corporate Plan reflects the mission and vision of the Workers' Compensation Board, and focuses its efforts in four strategic areas, Improving Service, Increasing Accountability, Building Strength Within, and Communicating Effectively.

Mission To coordinate the workers' compensation system to assist injured workers and their employers by providing timely medical and rehabilitative support to facilitate the efforts of injured workers to return to work, and by providing appropriate compensation for work-related disabilities.

Vision A healthy, working Nova Scotia.

Strategic Direction

The four strategic areas noted below reflect the balance in the WCB's efforts to provide quality service, maintain long-term financial stability, report back to its stakeholders, and support development of a staff focused on delivering quality service. The WCB, in order to develop a cost-effective delivery system, is also striving to build partnerships with other participants in the workers' compensation system in order to reduce duplication of effort and red tape; minimize the costs of building or acquiring new systems and technology; and improve service by sharing resources and information.

This section identifies the corporate objectives that have been set in each of the four strategic areas, the key initiatives the WCB has either planned or already underway, and the corporate performance measures the WCB Board of Directors has put in place to measure our success in achieving these objectives.

1. Improving Service

Strategic Goal

To continually improve the timeliness, responsiveness, effectiveness and quality of service delivered to workers and employers.

Corporate Objective

To improve the quality of service in the following areas:

- timeliness of service;
- consistency of service;
- accuracy of service;
- return to work;
- resource efficiency;
- responsiveness of service; and
- treatment of individuals in a courteous and dignified manner.

Key Initiatives to Achieve these Objectives

Client Services Delivery Model (CSDM)

Outcomes

- More accurate, effective and easy-to-use service to clients.
- Simplified accident reporting.
- New methods of reporting accidents.
- Single case worker providing injured workers and their employers with end-to-end service.
- Faster delivery of first compensation payments to injured workers.

Nova Scotia Business Registry

Outcomes

- "One-stop shopping" for employers accessing a variety of government departments and services, including the WCB, the Government of Nova Scotia and the Canada Customs and Revenue Agency – formerly Revenue Canada.
- Improved access to services with extended hours through technology.
- Easing the administrative burden for employers by sharing information with all partners.

Assessment Payment Plan (APP)

Outcomes

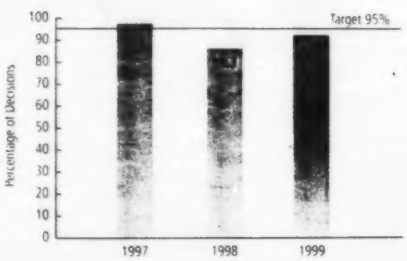
- Periodic payment of WCB premiums based on actual payroll.
- Harmonized forms and procedures with the Canada Customs and Revenue Agency (CCRA).
- Reduce the administrative burden and costs.

Corporate Performance Measures (CPMs)

1. Claim-Processing Efficiency
2. Timeliness of First Payment
3. Internal Processing Time
4. Timeliness of Accident Reporting
5. Timeliness of Appeals Decisions
6. Injured Worker and Employer Satisfaction:
   i. promptness of benefits delivery/service
   ii. staff's ability to answer questions
   iii. frequency of contact/accessibility of staff
   iv. clarity of forms/letters
   v. politeness of staff

Timeliness of Appeals Decisions

This CPM measures how quickly decisions are issued on claims when appeals have been filed with the WCB's Internal Appeals Department. It is the percentage of Hearing Officer decisions issued within 90 days of an appeal being filed.



2. Increasing Accountability

Strategic Goal

To develop and adhere to evaluation and reporting mechanisms, allowing our stakeholders to assess and measure performance. In addition, to provide financial stability in the workers' compensation system to the covered employers and workers of the province.

Corporate Objectives

To increase accountability to our stakeholders by reporting on:

- adhering to the funding strategy;
- adhering to the legislative requirement to fund current costs;
- working within established administration costs; and
- establishing and utilizing Corporate Performance Measures.

Key Initiatives to Achieve these Objectives

Undertake Stakeholder Review of Corporate Performance Measures (CPMs)

Outcomes

- Establish a CPM Advisory Committee.
- Improved measurement and reporting of WCB's service performance.
- Increased accountability to stakeholders.

Statutory Review of Workers' Compensation

Outcomes

- Review of workers' compensation to take place in 2001.
- WCB to dedicate resources as required to support the review.
- Review WCB's funding strategy and assessment rates in light of the report's recommendations.

Corporate Reporting

Outcomes

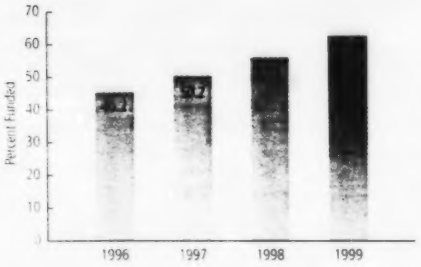
- Publish Annual and Quarterly Reports.
- Produce "Retrospectives" which identifies current and upcoming items on the Board of Directors' agendas.
- Produce quarterly updates of Corporate Performance Measures.

Corporate Performance Measures

1. Average Actual Assessment Rate
2. Percentage Funded
3. Rate of Return on Investment Portfolio
4. Administration Costs Relative to Total Assessable Payroll

Percentage Funded

The "Percentage Funded" is the ratio of the WCB's total assets divided by its total liabilities.



3. Building Strength Within

Strategic Goal

To ensure that our employees have the knowledge, skills and support needed to deliver prompt, effective service.

Corporate Objectives

To build our strength within by:

- providing effective management that respects and values employees;
- ensuring employees have the necessary skills and tools to do their jobs;
- providing opportunities for personal growth and professional development;
- providing timely and effective communication; and
- ensuring the WCB is a model for workplace health and safety.

Key Initiatives to Achieve these Objectives

Performance Development Process for WCB employees

Outcomes

- Clearly articulated individual work goals and objectives.
- Supports and training required to achieve performance level identified.
- Formal review periodically during the measurement period, as well as annually.
- Job specific training conducted on an ongoing basis as required.
- Continual improvements to the Performance Development Process.

Space Review and Upgrading

Outcomes

- The WCB's physical location and configuration will be positioned to best meet the needs of its stakeholders in a cost-efficient manner.

4. Communicating Effectively

Strategic Goal

To improve the lines of communication among the WCB, workers, employers, service providers and other stakeholders by providing opportunities for all parties to contribute to improving the compensation system.

Corporate Objectives

To communicate effectively, the WCB will:

- inform stakeholders about and provide opportunities for input into the WCB and its activities;
- co-ordinate and when appropriate, harmonize with other agencies in order to benefit the workers' compensation system; and
- actively gather ideas and information from the community to foster improvement in the system.

Key Initiatives to Achieve these Objectives

Investigate Process and Workflow Improvements between WCB, Workers' Compensation Appeals Tribunal (WCAT) and Workers' Advisers Program (WAP)

Outcomes

- Improvement in the overall service provided to our clients through improved exchange of information between the WCB, WCAT and WAP.

Hold Stakeholder Roundtables

Outcomes

- Provide an opportunity for workers, employers, and other stakeholders to meet with senior WCB representatives and discuss any issues or plans.

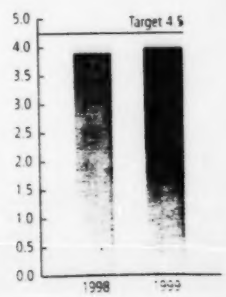
Enhance WCB Research Efforts

Outcomes

- Design a more timely and precise survey for measuring the attitudes and satisfaction of injured workers and employers across the province.
- Provide more timely survey reporting to improve service to clients and monitor organizational performance towards our objectives.

Satisfaction with Accessibility of WCB Staff

This CPM measures employer satisfaction with how easy it was to reach WCB staff when needed.



Five Year Financial Plan

The *Workers' Compensation Act* (1996) requires the WCB to: make assessments on employers, and collect sufficient funds to meet the current and future costs of all claims for all injuries occurring during the year; pay the expenses incurred in administering the Workers' Compensation Act; and pay all other amounts payable from the accident fund.

In workers' compensation, assessment revenue should roughly equal current year costs, otherwise transfers to and from future or past employers are occurring. Unfortunately, for many years in Nova Scotia annual funding did not sufficiently cover yearly costs. As a result, the WCB of Nova Scotia was only 27% funded in 1993 and had an unfunded liability. In 1995 a Funding Strategy was put in place to address this situation, and as of 1999 the WCB was 62% funded.

The funding requirements outlined in the paragraph above, when combined with the Funding Strategy, give the WCB a clear guideline for funding and budgeting on an annual basis. The Funding Strategy's objective is to bring the workers' compensation system to "full funding" (ensuring that assets are sufficient to meet liabilities). The Funding Strategy outlines the WCB's proposed approach to funding current operations, and the eventual elimination of the unfunded liability.

The funding strategy is revisited annually to incorporate actual experience and changes in the assumptions used to generate the strategy. In updating the Funding Strategy for 2001, actual claims, assessable payroll (premium revenue), and investment experience for 1995 through 1999, including Bill 90 (passed in 1999), were taken into account.

Due to better than anticipated investment returns to date, coupled with revenue growing more rapidly than claims costs, the WCB's unfunded liability could be eliminated during 2010. This assumes there won't be significant changes to benefits or coverage.

Revisions to the Funding Strategy may become necessary as the balance between benefit levels, the unfunded liability elimination period and assessment rate levels is affected by a combination of legislative amendments, judicial decisions, and/or Board of Directors' policy decisions.

The WCB recognizes that there are pressures to reduce rates and increase benefits but, given the current 62% funded position and the newness of the earnings loss system, the prudent course is to defer changes in rates and benefits until after the statutory review, which will be conducted in 2001, is completed and the outcome is known.

The targeted average assessment rate in 2001 is $2.54, and it is currently projected to remain at that level until 2004. This 2001 rate is divided between $1.81 for the cost of 2001 claims and administration and $.73 for eliminating the unfunded liability.

2001 Financial Projections

Revenues for 2001 are based on projections for registered firms' assessable payroll of $5.941 billion, yielding assessment revenue of $153.7 million, investment income of $49.0 million and self-insurer receipts of $28.9 million. The target for total revenues for 2001 is $231.6 million. Forecast claims cost incurred for 2001 accidents is $102.5 million and growth in the benefits liabilities of $52.2 million amount to $154.7 million.

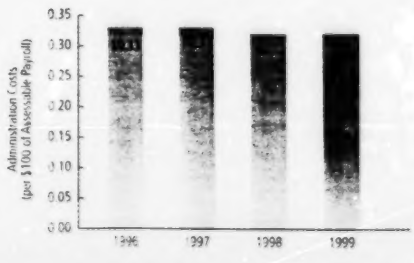
Administration Budget

The administration and legislated obligations budget of $33.7 million is the means of allocating appropriate resources to accomplish the organization's goals. The budget is broken into four sections: operations (which includes the day-today costs of running the WCB); capital (which includes the cost of buildings, land, and computer hardware and software); projects (such as expenditures that are not expected to recur year over year, that are intended to enhance service delivery, such as the development and implementation of the new service delivery model); and legislated obligations which includes the costs of operating OH&S and WAP in the Department of Labour, and WCAT in the Department of Justice.

The WCB's operations budget for 2001 is the same as the budgeted amount for 2000 plus inflation. This budget level continues to position the Workers' Compensation Board of Nova Scotia at the middle range of administrative costs nationally, in relation to total costs and total revenue.

The legislated obligations budget in 2001 is $9.5 million. Included in legislated obligations are the operating costs of the workers' compensation system, including agencies whose activities are not controlled by the WCB: the Workers' Compensation Appeals Tribunal and the Workers' Advisers Program, and a grant to the Occupational Health and Safety Division of the Nova Scotia Department of Labour.

Administration Costs
per $100 of Assessable Payroll
To calculate this CPM, the WCB's total administration expense (not including the cost associated with OH&S and WCAT) is divided by the total assessable payroll of all firms covered by the WCB—excluding self-insured firms.



For More Information...

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